

Jackson, MS— The U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) says Mississippi has implemented sound controls regarding how the state determines eligibility and avoids benefit duplication while administering its Homeowner Assistance Program (HAP), and the agency recommends no changes.

The finding is based on an OIG audit of the program using a sample of homeowners who applied October 2006, just months after the Mississippi Development Authority (MDA) began processing HAP applications.

“The HUD OIG audit shows Mississippi made the right decisions when we implemented this program,” Governor Haley Barbour said. “Remember, this is an unprecedented initiative involving huge disbursements of federal disaster assistance to individual homeowners, a scope of work that no states have executed previously. Usually, systematic errors are made on the front end of something that’s so new and untested, but this study indicates Mississippi made good, solid decisions early and often, and that attentiveness continues as we process the remaining HAP applications.”

The audit surveyed about 5 percent of all applicants who’d received HAP checks at the time. The study found only two sampled applicants received checks in error -- one who was ineligible under the HAP program’s home ownership and occupancy requirement, the other who had received a duplication of benefits through both HAP and a Small Business Administration loan.

In both cases, the OIG said the instances didn’t result from Mississippi’s verification procedures because the state relied on the best information and process available.

“Of course in a program this big and this complex, you’re always going to have some mistakes,” Governor Barbour continued. “But this audit shows our overall system is not only sound, but it points to Mississippi as an innovator and leader when it comes to disaster recovery and assistance.

“After Katrina, people around the world saw Mississippians as we truly are, a resilient, capable people who’re determined to rebuild responsibly, being good stewards of the help and resources we’ve received. Should America undergo another disaster of Hurricane Katrina’s magnitude, I believe other states will uphold Mississippi’s disaster recovery program as an example to emulate.”